

## CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number \_\_\_\_\_

Meeting Type: Regular

Meeting Date: 7/12/2012

Action Requested By:  
Finance

Agenda Item Type  
Ordinance

Subject Matter:

Investment Police

Exact Wording for the Agenda:

Ordinance to clarify certain sections of the city's investment policy to conform to State of Alabama law.

**Note: If amendment, please state title and number of the original**

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: \_\_\_\_\_

Date: 7/3/12

ORDINANCE NO. 12 - \_\_\_\_\_

ORDINANCE TO CLARIFY CERTAIN SECTIONS OF THE  
CITY'S INVESTMENT POLICY TO CONFORM TO STATE OF  
ALABAMA LAW

**BE IT ORDAINED** by the City Council of the City of Huntsville, Alabama, that Chapter 2, Article IV of the Code of Ordinances, City of Huntsville, Alabama, is hereby amended as follows:

**Section 1.** Sec. 2-151(b)(1) is hereby amended to read as follows:

Pursuant to Code of Ala. 1975, Sec. 11-81-19-11-81-21 and Sec. 11-104-5, this section applies to all municipal funds of the city

**Section 2.** Sec. 2-151(g)(2) is hereby amended as follows:

Except for those deposits subject to the requirements of Sec. 2-151(g)(1), all All amounts of deposit made and certificate of deposits (CDs) issued in excess of amounts insured by the FDIC and FSLIC shall be collateralized with securities of the United States government, federal agencies which represent the full faith and credit of the United States, or otherwise authorized by state law. The collateral for each deposit or certificate of deposit shall have a market value equal to at least 100 percent of the excess of amounts insured by the FDIC and FSLIC.

**Section 3.** Sec. 2-151(g)(3) is hereby amended as follows:

For deposits subject to the requirements of Sec. 2-151(g)(2), it It is the policy of the city to require from each authorized financial institution holding city funds a listing of securities pledged as collateral to protect the city's investment. This listing of collateral shall be provided to the city by each institution for deposits held on June 30 and December 31 of each year. All investment securities purchased by the city and all collateral on deposits of the city shall be held in a custodian account maintained by a trust department of a bank insured by the FDIC, in the Federal Reserve Bank or by the city. The trust department shall issue a safekeeping receipt to the city listing the specific instrument, rate of return, maturity date and other pertinent information.

**Section 4.** Effective Date.

This ordinance shall become effective upon its adoption and approval.

**ADOPTED** this the 26<sup>th</sup> day of July, 2012.

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President of the City Council  
of the City of Huntsville, Alabama

**APPROVED** this the 26<sup>th</sup> day of July, 2012.

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Mayor of the City of  
Huntsville, Alabama